



U.S. Department of Housing and Urban Development

District Office of the Inspector General
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June 14, 1996

Audit-Related Memorandum
96-AT-248-1819

MEMORANDUM FOR: John L. Perry, Director,
Community Planning and Development, 4AD

FROM: Kathryn Kuhl-Inclan
District Inspector General for Audit-Southeast/Caribbean, 4AGA

SUBJECT: Accounting System Evaluation
Jerusalem House Inc.
Atlanta, Georgia

INTRODUCTION

From May 2, 1996 through May 14, 1996, we performed a limited review of the financial management system of Jerusalem House, Inc. (JHI) as it relates to its upcoming Supportive Housing Program. JHI is designated as a program participant under Grant No. GA06M15-1035 awarded to the Metro Atlanta Task Force for the Homeless on January 31, 1996. The total grant award from HUD is \$832,388 of which \$792,750 has been awarded to JHI as a subrecipient. As a subrecipient, JHI is to provide: 12 additional transitional housing units for homeless women with AIDS and their children; a comprehensive system of care for a minimum of 16 additional families per year, supportive services to program participants, and support staff for project operation. At the time of our review, the JHI board consisted of 24 members, a full time, salaried Executive Director and support staff.

SCOPE OF REVIEW

The purpose of our review was to provide you with reasonable assurance that this recipient of Supportive Housing funds has systems and controls in place to account for the receipt and disbursement of grant funds and the accumulation and documentation of statistical data to demonstrate program accomplishments and prepare required reports. As you know, our review was not an audit made in accordance with generally accepted government audit standards.

We interviewed the Finance Director and a staff member and obtained documentation that: (1) an accounting system existed to capture and properly classify project expenditures, (2) the organization's staff appeared knowledgeable of its responsibilities as a recipient of Federal funding and under its contract with the Task Force for the Homeless, (3) the organization is legally established, and appeared viable, and (4) the organization otherwise appeared reasonably prepared to carry out the objectives of its Supportive Housing Program. We looked for areas which indicated a need for technical assistance and guidance by your office and the Task Force.

OBSERVATIONS

We concluded that JHI has established organizational, financial management, and program performance systems necessary to satisfactorily accomplish its Supportive Housing Program. Several conditions existed which strengthen this organization's ability to successfully accomplish its grant objective. For example, the organization is receiving and administering a Supportive Housing Program through another Federal grant (HOPWA) and State funding, has obtained professional accounting services, has an involved and functioning Board of Directors, and has demonstrated success in helping homeless families. We did not identify any areas which gave us cause for concern.

This memorandum is for your information; no response is necessary. If you have any questions or need additional information, please contact Nancy H. Cooper, Assistant District Inspector General for Audit, at 331-3369.

DISTRIBUTION

Director, Community Planning and Development Division, 4AD

Director, Interagency Council on the Homeless, DEO

Director, Jerusalem House, Inc.

Director, Atlanta Task Force for the Homeless